

MINUTES
REGULAR MEETING
CITY COUNCIL

September 12, 2016

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager
Louis E. Vinay, Jr., City Attorney

John H. Cantrell)
Forrest A. Fleming) Councilmen
Sidney Simmons)
Vacant)

Becky Brinkley, Interpreter

I. The meeting was called to order in the Council Chamber at City Hall at 6:00 p.m. by Mayor Thompson.

II. Public Comment – The Mayor stated the guidelines for public comment.

There were no speakers. The Mayor recessed the meeting at 6:01p.m.

III. Business of the Council – The Mayor reconvened the meeting at 6:15 p.m.

IV. Pledge of Allegiance – Councilman Fleming led the recitation of the Pledge of Allegiance to the Flag.

V. Invocation – The invocation was given by City Attorney Louis Vinay.

VI. Introduction of Council – The Mayor introduced the Council and staff.

VII. Presentation of Service Pins – The Personnel Committee and City staff have decided to recognize long-term employees for years of service at a Council meeting. Councilman Simmons presented a 30-year service pin to Teresa Massey, Public Works Department, Senior Administrative Specialist.

VIII. Public Advocacy Issues and Strategies

The Mayor announced the upcoming events: CoMMA, *You've Got a Friend*, September 15; and the continuation of Farmer's Markets on Saturdays behind the Old Depot and on Wednesdays on North Green Street.

The Mayor proclaimed Constitution Week 2016 and presented the proclamation to Patricia Baldi-Davis, DAR Regent and Joyce Kendall, DAR Constitution Week Chair. Regent Baldi-Davis gave a short history of Constitution Week and the purpose of the observation.

The Mayor read a proclamation for Alcohol and Drug Addiction Recovery Month, then asked Councilman Cantrell to present the proclamation to Joe Marks, Executive Director, Burke Recovery. Marks thanked the Council for issuing the proclamation. He spoke about the rampant use of drugs in Burke County and the United States. Addiction is a disease and not a moral failing, he stated. He announced there would be a Recovery Rally on the old Courthouse Square, September 18, from 2:00 p.m. – 6:00 p.m.

The City Manager announced that the City would receive the Marvin Collins Planning Award for the new Zoning Ordinance at an upcoming awards luncheon of the State Planning Association.

The Mayor announced a City Council Workshop will be held on Monday, September 26, 11:30 a.m.-1:30 p.m. at the Community House.

The Mayor thanked staff and volunteers for their help with the Historic Morganton Festival the past weekend.

The Mayor also stated his appreciation to the Electric Department for their quick work in restoring electricity during an unexpected event the past Thursday.

The City Manager introduced Rob Winkler new Recreation Director. Winkler stated his thanks for the opportunity to return to work with the City. He stated his family is looking forward to moving back to Morganton. He stated he was proud of his crew and the way they worked along with other departments to set up and clean up during and after the festival.

IX. North Carolina Municipal Power Agency Number 1 Update – The City Manager stated the annual meeting was held in August, the Power Agency is preparing for winter and working on new rates.

X. Consent Agenda – The City Manager presented the consent agenda and asked if any items should be removed. No request was made.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and unanimously carried, the consent agenda was approved and each individual item adopted as stated, these being as follows:

- A. Approved minutes of a Regular Meeting held on August 1, 2016.
- B. Approved tax releases in the amount of \$414.90
- C. Approved a budget amendment to appropriate the receipt of funds (\$5,008) from an insurance claim and to appropriate funds for the property damage and repair of a sewer line. (Ord. #16-43)

D. Approved a budget amendment to appropriate the receipt of funds (\$3,006) from an insurance claim and to appropriate funds for the repair of vehicle 7154 / Public Safety. (Ord. #16-42)

E. Approved a budget amendment to appropriate the receipt of donated funds (\$1,500) to the K-9 program / Public Safety. (Ord. #16-41)

F. Approved purchasing a Kubota RTV100 from Corriher Tractor, Inc. for \$36,864 for Public Works.

G. Awarded a contract for purchase of a Ford F350 1-ton cab and chassis with Godwin dump-body under State contract in the amount of \$36,883 for Public Works.

H. Awarded to contract with Compliance Envirosystems LLC for an amount not to exceed \$183,000 for sewer line cleaning and root removal in the Bethel Sewer Basin.

I. Adopted Resolution #16-23 authorizing the City to reimburse itself from proceeds of a loan for purchase of eight (8) new in-car video systems for the Department of Public Safety.

J. Approved Resolution #16-24 adopting a Policy for Mutual Assistance with Other Law Enforcement Agencies.

XI. Items Removed from Consent Agenda – There were no items removed from the Consent Agenda.

XII. New Business

A. Public Hearing and Action

1. Public Hearing to Consider Amendments to Development Incentive Grant Agreement with Alpine Mill, LLC

The Mayor opened the public hearing at 6:34 p.m.

In November, 2014, City Council joined with the Burke County Commission in entering into a Development Incentive Grant ("DIG") Agreement with Alpine Mill, LLC, for the re-purposing and re-development of the old Drexel Plant 7 at 109 E. Fleming Drive ("the Project"). Under that Agreement, Alpine was to invest an estimated \$6,500,000 to create a mixed-use development of some 82,000 square feet, the Project being done in two phases, with Phase 1 to complete by June 30, 2016 and Phase 2 within two years thereafter. County and City DIG grants were to begin in calendar year 2017, based on the increased tax value of the Project property as assessed each year beginning after Phase 1 completion.

Alpine began work (primarily demolition of some of the existing structures) in December, 2014, but has since decided to change the Project in several significant ways. Therefore, Alpine has now requested that the County and the City revise and amend the DIG Agreement. Alpine has submitted revised documentation, specifically including an updated cash flow statement showing that the Project will meet the “but for” requirements of the DIG program. City and County staff have considered these requests, and drafted a proposed amended DIG Agreement.

The proposed amendments or revisions are as follows:

1. The Project would no longer be done in phases. Rather, the entire Project will be completed by June 30, 2018.
2. Instead of a “mixed-use” development with both residential and commercial components, the Project will be entirely residential, consisting of 62 rental units, and covering 86,000 square feet, instead of the originally planned 44 units plus commercial space, covering 82,000 square feet.
3. Alpine’s projected investment, and thus the projected increase in property tax value, will be \$10,300,000, significantly increased from the original Agreement’s projected \$6,500,000 investment. Likewise, the estimated increase in property tax value at the end of the Project would be about \$9,800,000, up from an estimated \$6,500,000.
4. Because of the larger investment and thus larger increase in tax value, the estimated size of the DIGs from the County and City will increase. Also, since the anticipated investment by Alpine is well over \$5,000,000, the rate at which the grants are calculated will be .0085 instead of the .0075 which was anticipated for Phase 1 of the original Project.
5. With the change to a single phase Project to be completed by June, 2018, the new tax value would not be established until January, 2019, and therefore the first calendar year in which the County and the City would pay the grants will be 2019, and the 5 years provided for such grants would extend until 2023.

The County approved the amendments at their August 16, 2016 Commission meeting.

There being no public comment, the Mayor closed the public hearing at 6:34 p.m.

Actions:

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council confirmed that the requested amendment is in compliance with the Morganton Mission 2030 goals and objectives.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council approved the amended Development Incentive Grant

Agreement among the City, Burke County and Alpine Mill, LLC for 109 E. Fleming Drive / old Drexel Plant 7.

B. Other Business

1. Consideration of Award of Contract for a Classification/Pay Study

The City Manager stated that the Human Resources (HR) department is conducting a pay and classification study and updating the City's Personnel Manual. Rus Scherer, HR Director, solicited requests for qualifications and quotes from four different agencies: the MAPS group (Cary NC), Condrey and Associates (Athens, GA), Springsted Incorporated (Mechanicsville, VA), and the Piedmont Triad Regional Council (Kernersville, NC). These contracts are for services rather than goods, so they are not subject to the same bidding regulations as capital purchases, but it is good practice to evaluate the market - from both a pricing and a quality of service standpoint.

Three agencies submitted bids: Condrey and Associates, Springsted and the Piedmont Triad Regional Council (PTRC). Springsted is one of the largest independent public sector advisory firms in the Country, with headquarters in Minnesota. The NCLM has contracted with them to provide these services for members and they have done so for many years. PTRC is a Council of Governments that has been providing personnel services to North Carolina local governments for over 20 years. The Project Manager would be David Hill, who is the former Caldwell County HR Director with over 40 years HR experience and is well respected in the NC local government HR arena. The rest of the staff working on the project are retired HR Directors with NC local governments. At this time, Rus would like to have the pay and classification study and the personnel manual update completed, and the bid prices (including travel expenses) are as follow:

Springsted:	\$26,920
PTRC / David Hill:	\$34,025 (Negotiated to \$30,475)
Condrey & Associates	\$67,000

While references on Springsted are good, and each of the contacted references would recommend them, the references for PTRC / David Hill consistently mention the outstanding personalized service, very in-tune with the NC market, and that they do a very thorough analysis to fully understand what is required of each job. It was noted that rather than just comparing job titles to other agencies, the particular duties of the jobs were considered when determining the market rate. Rus contacted other agencies who worked with Mr. Hill who were not on the formal reference sheet, and all spoke highly of the team as well.

Based on his solid references, intimate familiarity with local governments in western NC, strong networks of contacts for soliciting current market data, and reputation for outstanding customer service, staff would recommend awarding the contract to PTRC / David Hill for these projects. Based on Rus' research and evaluation, he believes this

will provide the City with the professional expertise and the personal service that has great value in these projects.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council awarded a contract for a Classification/Pay study and Personnel Manual update to Piedmont Triad Regional Council (PTRC) at a price of \$30,475.

2. Consideration of Adopting an Ordinance Restricting Through Truck Traffic on Stonebridge Drive

The City Manager stated that staff received a letter from NCDOT State Traffic Engineer Kevin Lacy stating the DOT will impose a truck restriction on the portion of Bethel Road between Stonebridge Drive and NC 18 (South Sterling) due to roadway alignments which are not conducive to large trucks, and that DOT would not impose such restrictions on the remainder of Bethel Road unless the City so restricted Stonebridge Drive.

The City has now received citizen requests to prohibit large trucks from traveling on Stonebridge Drive, effectively prohibiting all through truck traffic along Bethel Road.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council adopted Ordinance #16-44 prohibiting through truck traffic on the entire length of Stonebridge Drive.

3. Consideration to Award a Contract for Construction of Fiber Optic Cable from the City Headend to High Peak Mountain

The City Manager reminded that the City recently acquired land on High Peak Mountain with a tower and a building for the purpose of moving our off-air CoMPAS signals. Staff has renovated the building and is now ready to move antennas, currently on the water tank on Vine Arden, to the tower on the mountain. This fiber optic cable is needed to get these signals back to the headend. This will provide better signals on these channels and eliminate tiling that is currently taking place.

CFS Communications of Hickory estimated the cost to run this fiber optic cable will be \$39,800. Staff has been working with Duke Power and others for permission to build this fiber network and will be able to start as soon as permission is given to proceed.

Upon motion by Councilman Simmons, seconded by Councilman Cantrell, and carried unanimously, the Council awarded contract to CFS Communications for \$39,800 to install fiber optic cable from the City headend to High Peak Mountain.

4. Consideration of Alley Encroachments / Homer's Soda Shop and Brown Mountain Bottleworks (113 & 117 East Union Street)

The City Attorney stated that a public alley extends across the block between North Green Street and North Sterling Street. The portion of the alley closer to North Green Street remains open to both pedestrian and vehicular traffic, and connects to another alleyway which extends to Queen Street, parallel to both North Green and North Sterling Streets. Brown Mountain Bottleworks, a tenant in the building at 117 East Union Street owned by Bell Properties, has constructed a small access ramp leading to its rear door which opens onto the alleyway. Now, Homer's Soda Shop, the business which is currently renovating the building at 113 East Union Street (owned by 113 Union, LLC), also desires to locate an accessible ramp and small deck at the back of its building. To do so will necessitate Brown Mountain reworking its porch and ramp. To accomplish these things, both these businesses require agreements from the City for encroaching into the public alleyway. Tentative plans have been submitted by the owners of both buildings, and reviewed by City staff. The projected structures would encroach no more than twelve (12) feet beyond the current back corner of the buildings, and thus would not reduce the current width of the vehicular alley that extends to North Green Street.

City staff has determined that allowing these structures to encroach would not impede reasonable vehicular or pedestrian use of the alleyway. However, the City would make it a condition of allowing such encroachments that the structures be easily removable, and that the City may terminate these encroachment agreements at any time for any reason upon thirty (30) days written notice.

The Agreement would also require the owners/tenants to coordinate and cooperate with each other and with the City regarding the appropriate coordination between the two structures.

Further, the respective owners must acquire adequate liability insurance, naming the City as an additional insured.

Councilman Fleming stated it was important to point out that due to laws the businesses must have two handicap accessible entrances and this would be the only way to do it.

The City Attorney stated these changes would not impede the flow of vehicular traffic in the alleyway.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council adopted and approved an alleyway encroachment agreement for 113 East Union Street with 113 Union, LLC (Homer's Soda Shop).

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council adopted and approved an alleyway encroachment agreement for 117 East Union Street with Rudy Bell / Bell Properties (Brown Mountain Bottleworks).

5. Notice for Vacancies on Boards and Commissions

The City Manager stated that the City received a notice of resignation from Patricia Williams from the Board of Adjustment. Staff will be looking for a replacement for this position and welcomes any suggestions Council may have.

This position will fulfill a term to expire June 2017.

There are two County positions (ETJ residents) to be filled also. Staff has been in contact with the County regarding these open positions.

XIII. Other Items from City Manager and City Council Not on Agenda

•Consideration of a Resolution to Apply for a Friends of NRA Grant

The City Manager stated that in past years the City has applied for an NRA grant to receive monies for the City skeet range. She stated the grant monies are used for the purchase of shooting equipment and clay targets. These are made available to youth and women shooters who visit the range.

She stated that it was time to apply for a new grant. As part of the grant package the Recreation Department needs a Resolution to Apply. There is no local match required for the grant. Past grants have been in the range of \$5,000 to \$15,000.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council approved Resolution #16-22 authorizing the City of Morganton Recreation Department to make application to the Friends of the NRA Foundation for a grant for the Development of Youth and Women's Shooting.

XIV. Reports – Reports were distributed for information.

XV. Adjournment – The meeting was adjourned at 6:49 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

Assistant City Clerk

